

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
SOUTHERN MADISON WATER DISTRICT)	CASE NO. 90-320

O R D E R

On October 22, 1990, Southern Madison Water District ("Southern Madison") filed its revised tariffs with the Public Service Commission ("Commission") pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds:

1. Southern Madison purchases water from Berea College Water Utility ("Berea"). On October 3, 1990, Berea increased its rate for water sold to Southern Madison from \$1.15 to \$2.82 per 1,000 gallons pursuant to the provisions of KRS 278.190(2). Subsequently, on November 19, 1990, the Commission entered an Order in Case No. 90-052¹ granting an increase in Berea's rate for wholesale water from \$1.15 to \$1.95 per 1,000 gallons, and ordering Berea to refund any rates collected between October 3, 1990 and November 19, 1990 in excess of the rates authorized therein.

¹ Case No. 90-052, Adjustment of Rates of the Berea College Water Utility.

2. Southern Madison increased the rates to its customers effective October 3, 1990.

3. During the 12 months ending September 30, 1990, Southern Madison purchased 176,039,600 gallons of water and sold 134,373,900 gallons.

4. The purchased water adjustment and the rates contained in the tariff filed by Southern Madison are incorrect in that they were based on the \$2.82 rate imposed by Berea on October 3, 1990 rather than the \$1.95 rate approved by the Commission's November 19, 1990 Order.

5. The correct increase in purchased water costs is \$140,832, resulting in a purchased water adjustment of \$1.05 per 1,000 gallons.

6. The purchased water adjustment of \$1.05 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Southern Madison are denied.

2. The purchased water adjustment of \$1.05 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after October 3, 1990.

3. Within 30 days of the date of this order, Southern Madison shall refund to its customers any revenue collected as a result of the purchased water adjustment in excess of the amount allowable under the rates approved herein. Within 10 days thereafter, Southern Madison shall file a schedule with the

Commission showing the dates of refunds, the amounts of refunds, and the names of customers to whom refunds are made.

4. Within 30 days of the date of this Order, Southern Madison shall file its revised tariff sheet setting out the rates approved herein.

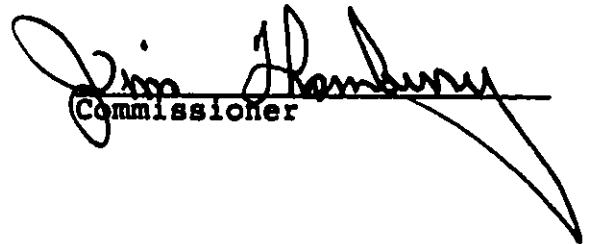
5. Within 20 days of the date of this Order, Southern Madison shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 21st day of November, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-320 DATED November 21, 1990

The following rates and charges are prescribed for the customers in the area served by Southern Madison Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage Block</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$11.36 Minimum Bill
Next 1,000 gallons	5.59 per 1,000 gallons
Next 3,000 gallons	5.18 per 1,000 gallons
Next 4,000 gallons	4.72 per 1,000 gallons
Next 15,000 gallons	3.84 per 1,000 gallons
Next 25,000 gallons	3.54 per 1,000 gallons
Over 50,000 gallons	2.99 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-320 DATED November 21, 1990

CALCULATION OF PURCHASED WATER ADJUSTMENT

Gallons Purchased: 176,039,600 gallons
Gallons Sold: 134,373,900 gallons

Cost at changed rate:

176,039.6 M. gallons x \$1.95 = \$343,277.22

Less

176,039.6 M. gallons x \$1.15 = 202,445.54
Increase in costs \$140,831.68

\$140,831.68 + 134,373.9 M. gallons sold = \$1.048 or \$1.05 per
1,000 gallons